

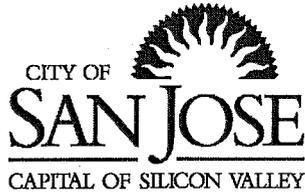
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**OFFICE OF THE
CITY AUDITOR**

**REPORT OF ACTIVITIES FOR THE PERIOD
MARCH 16 THROUGH APRIL 15, 2008**

A REPORT TO THE SAN JOSE CITY COUNCIL



Office of the City Auditor
Sharon Erickson, City Auditor

April 28, 2008

Honorable Members of the City Council
200 East Santa Clara Street
San Jose, CA 95113

In accordance with Charter Section 805(e), I am submitting a written report of the Office of the City Auditor's activities for the period of March 16 through April 15, 2008 and schedule of audit costs for General Ledger Accounting Period #9 (February 24, 2008 – March 22, 2008).

The monthly report contains the following sections:

- Status of Assignments in Progress
- Other Activities
- Schedule of Audit Costs for General Ledger Accounting Period #9 (February 24, 2008 – March 22, 2008).

If you need any additional information, please let me know.

Respectfully submitted,

Sharon Erickson
City Auditor

SE:bh
Attachment

Office of the City Auditor
Status of Assignments in Progress as of April 15, 2008

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date*
Assignments Completed					
Bay 101 Finding Report as of 09/07	N/A	N/A	N/A	N/A	April 2008
Redevelopment DDAs – 101 San Fernando	Completed	N/A	Completed	Completed	April 2008
Emergency Communication System Support Fee	Completed	Completed	Completed	Completed	April 2008
Procurement Card Transactions	Completed	Completed	Completed	Completed	January 2008
Recommendation Follow-up Report as of 6/30/07	N/A	N/A	N/A	Completed	December 2007
City Debt Management	Completed	Completed	Completed	Completed	December 2007
Annual Financial Audit & Single Audit Overview	N/A	N/A	N/A	N/A	November 2007
TEAM San Jose (2005-06 and 2006-07)	N/A	N/A	Completed	Completed	November 2007
Redevelopment DDAs – Park Townsend	Completed	N/A	Completed	Completed	November 2007
Bay 101 Finding Report as of 6/07	N/A	N/A	N/A	N/A	October 2007
Bay 101 Finding Report as of 3/07	N/A	N/A	N/A	N/A	September 2007
Initial Review of Los Lagos Golf Course	Completed	Completed	Completed	Completed	September 2007
Assignments In Progress					
Allied Waste Contract Expenditures	Completed	N/A	Completed	In Progress	May 2008
Santa Clara County Cities Association	Completed	N/A	Completed	In Progress	May 2008
Recommendation Follow-up Report as of 12/31/07	N/A	N/A	Completed	In Progress	May 2008
Bridge Replacement – Phase II	Completed	Completed	Completed	In Progress	June 2008
Arena Management	Completed	Completed	Completed	In Progress	
Review of Airport RFP – Concessions	N/A	N/A	Completed	In Progress	
Workers' Compensation	Completed	Completed	In Progress		
CBO Financial Reporting and Accountability	Completed	Completed	In Progress		
Franchise Fees	Completed	N/A	In Progress		
Retirement Services Travel Expenses	Completed	In Progress	In Progress		
Redevelopment DDAs – Museum Park	In Progress				
Assignments Not Yet Started					
City Investment Program					
Housing Rehabilitation					
Public Works Cost Estimation Process					
Vehicle Maintenance Procedures					
Risk Management					
Police Overtime					
Information Technology**					
Decentralized Cash Handling Processes					
Bay 101 Finding Reports as of 12/07					
Convention and Visitors Bureau					

* Projected Issuance Dates are usually six weeks after Report Writing is completed to accommodate exit conferences, draft report revisions and a three week allowance for the administration to prepare a written response. For the Assignments Completed, the date shown is the actual month of report issuance.

** Deferred

OTHER ACTIVITIES

During March 16 through April 15, 2008, the City Auditor and/or City Auditor Staff:

1. Issued *An Audit of the Emergency Communication System Support Fee*.
2. Issued a memorandum regarding *An Audit of the Management of the City's Tax-Exempt Bond Program Use of Interfund Loans to Provide Financing for Capital Bond Projects*.
3. Issued *Review of 101 San Fernando Apartment Project*.
4. Submitted the finding report from Kafoury, Armstrong, & Company, LLP relating to the Bay 101 Conditional Approval of Stock Transfer for the quarter ended September 30, 2007.
5. Held a pre-exit conference on our audit Foxworthy Avenue Bridge Project.
6. Interviewed several job applicants for openings the office has for Program Performance Auditors.
7. Participated in the City Council Candidate Orientation.
8. Met with Employee Relations staff regarding the Fraud Hotline.
9. Met with City Council Members and various department heads regarding various assignments.
10. The Silicon Valley Chapter of the Association of Government Accountants chose City Auditor, Sharon Erickson, as the recipient of the chapter's 2008 "Certified Government Financial Manager of the Year" Crystal Award for her major contribution to advancing government accountability.

**OFFICE OF THE CITY AUDITOR
SCHEDULE OF AUDIT COSTS
FOR GENERAL LEDGER ACCOUNTING PERIOD #9
(February 24, 2008 – March 22, 2008)**

Audit Assignment	Audit Hours	Audit Costs	Percentage ¹
Emergency Communication System Support Fee	264	\$22,342	16.8%
Franchise Fees—Allied Waste and Stevens Creek D&R	208	17,603	13.2
CBO Financial Reporting	189	15,995	12.0
Retirement Services Travel Expenditures	166	14,049	10.6
Bridge Replacement – II	156	13,202	9.9
Workers' Compensation	129	10,917	8.2
Vacation, Sick, and Other Leaves	127	10,748	8.1
City Debt and Investment Administration	84	7,109	5.3
Internal Quality Control	60	5,078	3.8
Training	56	4,739	3.6
General Office Administration	52	4,401	3.3
Airport Concessions RFP	30	2,539	1.9
Performance-Based Budgeting	19	1,608	1.3
Assistance to SJPD on Bay 101	10	846	1.2
Recommendations Follow-Up	3	254	0.6
Debt & Investment Management Consultant	N/A	1,722	0.2
Totals	1,553	\$133,152	100.0%
Total Cost Per FMS		\$133,152	

¹ These may be slightly off because of rounding.



ASSOCIATION OF GOVERNMENT ACCOUNTANTS
Silicon Valley Chapter – www.agasiliconvalley.org

2008 CGFM of the Year Award

Certified Government Financial Manager (CGFM)



In observance of March as 'CGFM Month', the Executive Board of AGA Silicon Valley Chapter has chosen **Sharon Winslow Erickson, CGFM**, as the recipient of the chapter's 'CGFM of the Year Crystal Award' for 2008 for her major contributions to advancing government accountability for the past years.

Sharon originally joined the City of San Jose's City Auditor's Office in 1989, serving in positions of increasing responsibility until 2001, when she accepted the position of City Auditor for the City of Palo Alto, California. While in Palo Alto, Sharon issued a series of award-winning performance and revenue audits that identified numerous operational efficiencies and more than \$2 million in additional revenue for the City. She also developed the City's highly regarded annual *Service Efforts and Accomplishment's (SEA) Report* to provide the City Council, staff and the public with an independent, impartial assessment of past performance to strengthen public accountability, improve government efficiency and effectiveness, and support future decision-making. Since 2004-05, the City's yearly SEA Report has received AGA's Certificate of Excellence in Service Efforts and Accomplishment (Award). In July 2004, the *Palo Alto Weekly* labeled her "the most trusted person in City Hall."

Sharon returned to San Jose as City Auditor in March 2008. One of six City Council Appointed Officials, Sharon is a graduate of Stanford University, a Certified Government Financial Manager and a Certified Internal Auditor. She said, "My CGFM certification demonstrates my expertise and commitment to the profession of government finance."

Sharon has been an active AGA member since 1998.

Congratulations Sharon!